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## WTO and Agriculture

# What's at Stake for Louisiana?

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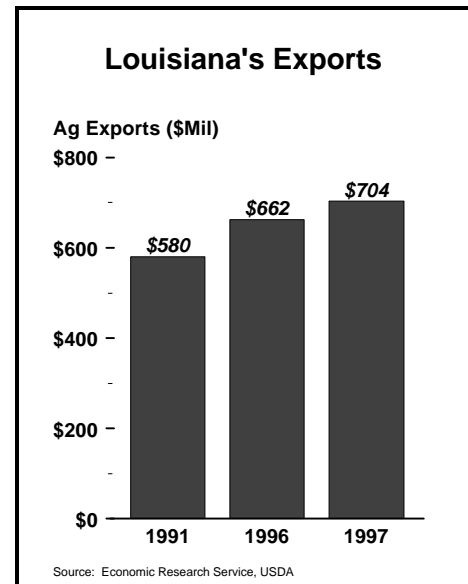
Louisiana produces agricultural goods that are exported worldwide. In 1997, the state's exports reached an estimated \$704 million, up from \$580 million in 1991. These exports help boost farm prices and income, while supporting about 9,100 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports important to Louisiana's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports ranged from 28% to 34% since 1991.

The top five agricultural exports in 1997 were:

- # cotton -- \$164 million
- # rice -- \$152 million
- # soybeans and products -- \$138 million
- # wheat and products -- \$20 million
- # cottonseed and products -- \$8 million

World demand for these products is increasing, but so is competition among suppliers. If Louisiana's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

## **Louisiana Producers Benefit from Trade Agreements**



Louisiana is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for Louisiana include:

- # As the nation's 3rd largest producer of rice, Louisiana should benefit under the Uruguay Round as Japan and South Korea open their rice markets. Japan established a tariff-rate quota that will increase to 758,000 tons in 2000. Korea lifted its import ban and established a quota that will increase to 205,228 tons by 2004.
- # Under NAFTA, tariff preferences for U.S. rice exporters have helped increase the U.S. share of Mexico's imports from 40% in 1992 to 98% in 1996.
- # The nation's 6th largest cotton producer, Louisiana benefits under NAFTA with new rules of origin that have increased demand for U.S. textiles in Canada and Mexico. Mexico will phase out its 10% tariff for cotton by 2004. Under the Uruguay Round, Hong Kong and Malaysia bound their cotton tariffs at zero.